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RUEHCI/AMCONSUL KOLKATA PRIORITY 4580  
RUEHGV/USMISSION GENEVA PRIORITY 2302  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3499  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 000356

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SUBJECT: SCENESETTER AND POINTS FOR MAY 5 UNSC SESSION ON  
NEPAL

Classified By: Ambassador Nancy J. Powell. Reasons 1.4 (b/d)

Summary

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11. (C) The May 5 session of the UN Security Council to review the UN Secretary General's mid-term report on the UN Mission in Nepal provides the United States with an excellent opportunity to push the peace process forward. For almost two weeks, Nepal's politics has been consumed with a struggle over whether or not the Maoists will succeed in sacking Chief of Army Staff Katawal. Katawal has brought some of these problems on himself. The reasons for the timing of this political confrontation and the motivations and objectives of key actors are still murky. The U.S. has re-affirmed the importance of civilian control of the Army, but stressed that control must be exercised responsibly. It is time for the GON and the parties to re-focus on the key issues: the peace process, the new constitution and the immediate needs of the Nepali people.

May 5 UNSC Session: Pushing Nepal's Peace Process Forward  
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12. (C) The May 5 session of the UN Security Council to review the UN Secretary General's April 28 mid-term report on the current six-month extension of the UN Mission in Nepal (UNMIN) provides the United States with an excellent opportunity to push the peace process forward. The process badly needs a push. Since April 19, Nepal's politicians have been almost completely consumed with a struggle over whether or not the United Communist Party of Nepal - Maoist (UCPN-M) will succeed in sacking Chief of Army Staff General Rookmangut Katawal. The continuation of this stalemate (and distraction) is not in Nepal's interest or America's. The Special Committee for Supervision, Integration and Rehabilitation of Maoist army combatants and its recently established Technical Committee are now effectively on hold. The work of the Constituent Assembly (CA) to draft the new constitution is impeded. Agitated Members of Parliament from the opposition parties have compelled the CA to cancel its parliamentary sessions. The UCPN-M is threatening to leave the government if Katawal stays and its most important coalition partner, the Communist Party of Nepal - United Marxist Leninist (UML), is threatening to leave if the Maoists' use their cabinet majority to remove him. Meanwhile, the Nepali public is suffering under a drought,

spiralizing food prices, numerous transportation stoppages (including violent agitation by ethnically based armed groups), fuel shortages, power outages, poor law and order and woefully inadequate government services.

#### Katawal's Complicated Role

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13. (C) In some ways, the Nepal Army (NA) chief brought his problems on himself. Katawal has never hidden his disdain for the Maoists. The NA chief was adopted and raised in the Royal Palace, and became Chief in Fall 2006 in spite of allegations of human rights abuses under his command, including a controversial role as the deputy army chief during the April 2006 People's Movement. Since August 2008, he has had to report to a Maoist Defense Minister, Ram Thapa.

The Chief chose in most cases to ignore him and dealt directly with Maoist Prime Minister Pushpa Dahal. To his credit, Katawal resisted pleas from royalists and, later, members of the Nepali Congress to seize control to prevent the removal of the King or the installation of a Maoist-led government. However, at times, he has been ham-fisted. His decision to proceed with Army recruitment and induction in late 2008 in the face of clear indications from the Defense Minister of dissatisfaction aggravated an already rocky relationship and represented a clear challenge to civilian control. The UCPN-M has tried to paint him as an obstruction to the peace process, but his insistence that only qualified individual People's Liberation Army (PLA) combatants be allowed to join the Army is consistent with the June 2008

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peace accord.

#### The U.S. Role So Far

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14. (C) On April 19, PM Dahal asked Katawal to step down. The cabinet followed up that same day with a demand for clarification on three issues -- Army recruitment, Katawal's handling of eight brigadier generals whose terms the Defense Ministry (MoD) did not extend, and the pullout by the Army from the National Games events in which the PLA participated.

Why the Maoists chose to force these issues to a head now is still not clear. The motivations of the major players and their objectives are also far from transparent or even consistent. The Indian Ambassador on instructions told Dahal not to fire Katawal and has incited nationalist Nepali ire by meeting repeatedly with the PM and President Yadav to drive the point home. The Chinese have been more subtle but are believed to back the Maoists and their assertion of greater control over the Army. Ambassador Powell voiced concern in a private meeting with the PM about the MoD's arbitrary denial of extensions to all eight brigadiers (one of whom was U.S. War College trained). She also argued at an April 23 meeting with the PM, along with other selected Ambassadors, that civilian supremacy was a crucial democratic principle, but the GON had to exercise it responsibly.

Comment: Possible U.S. Intervention at UNSC

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15. (C) If the U.S. chooses to deliver a separate statement at the UNSC session in New York, we will need to tread carefully. Post's recommendation is that we avoid getting overly involved in prescribing a solution. At close of business May 1, it is not at all evident how this struggle will play out. The final, Nepali solution could easily be one that no one, at least none of the international community, anticipate or fully endorse. In post's view, the focus should be on fundamentals: any solution should be lawful, peaceful and consensual; GON's concentration should be on completing the peace process, particularly integration/rehabilitation of the Maoist combatants, drafting the constitution and dealing with the practical, everyday problems of the Nepali public (water, power, food, law and

order). The Maoists' pursuit of what looks like a vendetta has understandably called into question their commitment to the peace process and democratic principles. In the observations that conclude his report, the UN Secretary General notes: "Continuing political decisions such as the controversial decisions taken by the UCPN-M-led Government and the Nepal Army related to army personnel, and frequent acrimony among senior political leaders, have strained relations, contributing to an atmosphere of mistrust which may hinder all parties from moving forward .... The spirit of cooperation that is required to advance the peace process needs to be invigorated." We could not agree more.

#### Proposed Talking Points

#### 16. (C) If Katawal is relieved/fired by May 5 by consensus:

-- The United States regards the principle of civilian supremacy as fundamental in any democracy and respects the decision of the Government of Nepal (GON) to replace the Nepal Army Chief of Staff.

-- We urge the GON to turn its attention to the pressing issues that the GON faces. These include completing the peace process, particularly the discharge of the disqualified, including minors, from the Maoist cantonments and the rehabilitation and integration of Maoist army combatants.

-- The process of drafting the new constitution, which has been delayed, needs to move forward. It is also important that the GON ensure that the government fulfills its

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obligations to its citizens to provide services and infrastructure and to ensure law and order, the protection of human rights and transitional justice. Impunity and continued political interference in the law enforcement process should stop.

-- The U.S. urges the GON to forge ahead rapidly with a process of rehabilitation and integration of Maoist combatants that is consistent with international standards, transparent and respectful of individual choice.

-- Nepal's peace process has made progress in the past three years. We urge the GON to bring that process to a peaceful and democratic conclusion.

If Katawal is still in office:

-- The United States expresses its regret that the Government of Nepal (GON) and the political parties have failed to resolve the ongoing issue over the future of the Chief of Army Staff. It is our strong hope that the GON will find a solution very soon which is lawful, consensual and promotes the peace process.

Note: Other points are identical.  
POWELL